STATE OF MICHIGAN IN THE CIRCUIT COURT FOR THE 30th JUDICIAL CIRCUIT INGHAM COUNTY

LINDA A. WATTERS, COMMISSIONER, OFFICE OF FINANCIAL AND INSURANCE SERVICES FOR THE STATE OF MICHIGAN,

Petitioner,

File No. 03-1127-CR

VS.

Hon. William E. Collette

THE WELLNESS PLAN, A Michigan health maintenance organization

And

ANDREA LEE HARDMON-SELETE, As Next Friend to MATTHEW SELETE, a minor, and ANDREA LEE HARDMON-SELETE, Individually,

PLAINTIFF/CLAIMANT SELETES' BRIEF AS
TO CLAIM PRIORITY UNDER MCL 500.8142

Plaintiffs/Claimants vs.

THE WELLNESS PLAN, a/k/a COMPREHENSIVE HEALTH SERVICES CONSULTING, a/k/a COMPREHENSIVE HEALTH SERVICES, INC., COMPREHENSIVE HEALTH SERVICES OF DETROIT a Michigan non-profit Domestic corporation, and DELORES BAKER, M.D.

Defendants.

LEE I. TURNER (P21631) Attorney for Plaintiffs 26000 W. 12 Mile Road Southfield, MI 48034 (248) 355-1727 WILSON COPELAND, II (P23837) Attorney for Defendant CHS 645 Griswold St., Ste. 3270 Detroit, MI 48226 (313) 961-2600

MARK J. ZAUSMER (P31721) AMY M SITNER (P46900) Zausmer, Kaufman, August & Caldwell, P.C. Attys for Petitioner, Rehabilitator of Wellness 31700 Middlebelt Road, Suite 150 Farmington Hills, MI 48226 (313) 965-7900

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PLAINTIFF/CLAIMANT SELETES' BRIEF AS TO CLAIM PRIORITY UNDER MCL 500.8142

NOW COME Plaintiff/Claimants, Andrea Lee Hardmon-Selete, and Matthew Selete, by and through their attorneys, TURNER AND TURNER, P.C., and for their Brief As To Claim Priority Under MCL 500.8142, Plaintiff/Claimants submit as follows:

On or about July 1, 2003, the Honorable Judge William Collette entered an order placing the Wellness Plan (a.k.a. Comprehensive Health Services) into Rehabilitation. The Order specifically stated that "The Wellness Plan is placed into Rehabilitation pursuant to MCL 500.8101 et. seq." (see **Ex 1**, Rehabilitation Order, pg. 3). As such, the Rehabilitation process in this matter is governed specifically by MCL 500.8101 et. seq., also known as "Chapter 81: Supervision, Rehabilitation and Liquidation."

MCL 500.8101(3) sets forth the purpose of Chapter 81. That section specifically provides as follows:

- (3) The purpose of this chapter is the protection of the interests of insureds, claimants, creditors, and the public with minimum interference with the normal prerogatives of the owners and managers of insurers, through the following:
- (a) Early detection of potentially dangerous conditions in an insurer and prompt application of appropriate corrective measures.
- (b) Improved methods for rehabilitating insurers, involving the cooperation and management expertise of the insurance industry.
- (c) Enhanced efficiency and economy of liquidation to minimize legal uncertainty and litigation.
- (d) Equitable apportionment of unavoidable loss.
- (e) Lessening the problems of interstate rehabilitation and liquidation by facilitating cooperation between states in the liquidation process and by extending the scope of personal jurisdiction over debtors of the insurer outside this state.
- (f) Regulation of the insurance business relating to delinquency procedures and rules on the entire insurance business.

MCL 500.8101(3) (emphasis added).

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There is a specific section of Chapter 81 that sets forth the priority as to those who may have claims against the insurer's estate or assets. MCL 500.8142 categorizes the various types of claims that will be recognized by Chapter 81, and further sets forth the priority and order of distribution of said claims. Sec. 8142 provides as follows:

Sec. 8142. (1) Except as provided in subsection (2), the priority of distribution of claims from the insurer's estate shall be in accordance with the order in which each class of claims is set forth in this section. Every claim in each class shall be paid in full or adequate funds retained for their payment before the members of the next class receive payment. Subclasses shall not be established within a class. The order of distribution of claims is as follows:

- (a) Class 1. The costs and expenses of administration, including, but not limited to, the following:
- (i) The actual and necessary costs of preserving or recovering the insurer's assets.
- (ii) Compensation for all services rendered in the liquidation.
- (iii) Any necessary filing fees.
- (iv) The fees and mileage payable to witnesses.
- (v) Reasonable attorney's fees.
- (vi) The reasonable expenses of a guaranty association or foreign guaranty association in handling claims.
- (vii) Debts due to employees for services performed to the extent that they do not exceed \$1,000.00 and represent payment for services performed within 1 year before the filing of the petition for liquidation, if the court determines that the payments are reasonably necessary to an orderly and effective administration for the protection of class 2 claimants. Officers and directors are not entitled to the benefit of this priority. This priority is in lieu of any other similar priority authorized by law as to wages or compensation of employees.
- (viii) Beginning January 3, 1990, the actual and necessary fees of a supervisor appointed pursuant to section 8109 if the liquidation was preceded by supervision pursuant to section 8109 and the fees were not paid at the date of liquidation.
- (b) Class 2. Except as otherwise provided in this section, all claims under policies for losses incurred, including third party claims, and all claims of a guaranty association or foreign guaranty association. However, obligations of an insolvent insurer arising out of reinsurance contracts shall not be included in this class. All claims under life insurance and annuity policies, whether for death proceeds, annuity proceeds, or investment values, shall be treated as loss claims. For purposes of this section, life insurance and annuity policies include, but are not limited to, individual annuities, group annuities, guaranteed investment contracts, and funding agreement

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contracts, issued by an insurer. That portion of any loss, indemnification for which is provided by other benefits or advantages recovered by the claimant, shall not be included in this class, other than benefits or advantages recovered or recoverable in discharge of familial obligation of support or by way of succession at death or as proceeds of life insurance, or as gratuities. A payment by an employer to his or her employee shall not be treated as a gratuity.

- (c) Class 3. Claims of the federal government.
- (d) Class 4. All claims against the insurer for liability for bodily injury or for injury to or destruction of tangible property that are not under policies and, to the extent not included in class 1, debts due to employees for services performed to the extent that they do not exceed \$1,000.00 and represent payment for services performed within 1 year before the filing of the petition for liquidation. Officers and directors are not entitled to the benefit of the priority for debts due to employees for services performed. The priority for debts due to employees for services performed is in lieu of any other similar priority authorized by law as to wages or compensation of employees.
- (e) Class 5. Claims under nonassessable policies for unearned premium or other premium refunds and claims of general creditors.
- (f) Class 6. Claims of any state or local government. Claims, including those of any governmental body for a penalty or forfeiture, are allowed in this class only to the extent of the pecuniary loss sustained from the act, transaction, or proceeding out of which the penalty or forfeiture arose, with reasonable and actual costs incurred. The remainder of the claims shall be postponed to the class of claims under subdivision (i).
- (g) Class 7. Claims filed late or any other claims other than claims under subdivisions (h) and (i).
- (h) Class 8. Surplus or contribution notes, or similar obligations, and premium refunds on assessable policies. Payments to members of domestic mutual insurance companies are limited in accordance with law.
- (i) Class 9. The claims of shareholders or other owners. In paying claims pursuant to this class, disinterested shareholders have priority over interested shareholders who are directors or officers who fail to exercise their duties in accordance with section 5240.
- (2) If it is provided by written agreement, statute, or rule that the assets in a separate account are not chargeable with liabilities arising out of any other business of the insurer, that part of a claim that includes a separate account shall be satisfied out of the assets in the separate account equal to the reserves maintained in the separate account under the separate account agreement. The remainder of the claim shall be treated as a Class 2 claim against the insurer's estate to the extent that reserves have been established in the insurer's general account pursuant to statute, rule, or the separate account agreement.
- (3) As used in this section:
- (a) "Separate account" means a separate account authorized under section

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925 and established in accordance with the terms of a written agreement or a contract on a variable basis.

(b) "Insurer's estate" means all of the assets of the insurer less any assets held in separate accounts. The following assets shall not be considered separate account assets:

(i) Assets that represent money provided by the insurer initially to fund the separate account.

(ii) Assets that represent policy reserves that are properly allocable to the general account.

(iii) General account investments held in the separate account.

MCL 500.8142. (emphasis added).

The Wellness Plan was Plaintiff/Claimant Andrea Selete's prenatal provider at the time of her pregnancy with Claimant Matthew Selete. As a result of The Wellness Plan's negligence in the medical care and treatment of Claimants, Claimants suffered severe and permanent personal injuries and damages, including Brachial plexus palsy, extreme pain and suffering, mental anguish, mental anxiety, humiliation and embarrassment.

As Wellness Plan was Plaintiff/Claimant's Seletes' prenatal provider,

Plaintiff/Claimants would be considered as insureds of Wellness Plan, as Wellness Plan is
contractually obligated to provide adequate medical care to Plaintiff/Claimants. Thus,

Plaintiff/Claimants are insureds of Wellness Plan, and would be classed as "Class 2"
claimants under MCL 500.8142((1)(b).

However, Plaintiff/Claimants recognize that the priority issue presented before the Court is a general issue involving medical malpractice claimants as a whole versus HMO medical provider claimants as a whole. Being that Plaintiff/Claimants are not certain as to the specific factual circumstances of the other medical malpractice claimants, medical malpractice claimants as a whole would generally fall under a "Class 4" category under MCL 500.8142(1)(d). "Class 4" is comprised of "all claims against the insurer for liability for

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bodily injury or for injury to or destruction of tangible property that are not under policies." MCL 500.8142(1)(d).

It is extremely important that, under MCL 500.8142, there is a specific recognized class under which medical malpractice claimant's would fall. It is also extremely important that, under MCL 500.8142, there is absolutely no specific recognized class listed for HMO medical providers, nor is there a class that would embody the type of claim the HMO medical providers are attempting to make. Because MCL 500.8142 governs this Rehabilitation matter and these proceedings, and no class is listed for HMO medical providers, then HMO medical providers cannot even make a claim at all. MCL 500.8142 clearly sets forth and specifies the claims that can be made against the insurer's estate, as well as those claims that shall be paid. Specifically, MCL 500.8142(1) states as follows: "Every claim in each class shall be paid in full or adequate funds retained for their payment before the members of the next class receive payment." Being that there is no class for HMO medical providers, then any potential claims that are made by HMO medical providers to the Wellness Plan assets are not payable. Moreover, MCL 500.8142(1) further provides that "subclasses shall not be established within a class." This means that HMO medical providers cannot create a subclass within one of the listed classes. Simply put, HMO medical providers cannot create a class or subclass that does not already exist under the statute.

Since the type of potential claim that an HMO medical provider would wish to make is not even listed in a specific recognized class, the only remote category that an HMO medical provider claim could fall under is that of a "general catchall" claim under "Class 7." Pursuant to MCL 500.8142(1)(g), a "Class 7" category would include "claims filed late or any other claims other than claims under subdivisions (h) and (i).

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Even if potential claims of HMO medical providers were to be classed as "Class 7" claims, such "Class 7" claims would not take priority over medical malpractice claims, which would generally be "Class 4" claims. Again, MCL 500.8142(1) states as follows: "Every claim in each class shall be paid in full or adequate funds retained for their payment before the members of the next class receive payment." Pursuant to Chapter 81, the claims of medical malpractice claimants must be either paid, or payment funds set aside, before any "Class 7" claims or funds could be paid or retained.

There is good reason to follow the priority of MCL 500.8142. Again, the state legislature has indicated that the purpose of the act is to protect the interest of claimants by the "enhanced efficiency and economy of liquidation to minimize legal uncertainty and litigation." MCL 500.8101(3)(c). The state legislature has spoken through MCL 500.8101 et. seq., particularly as to the priority of distribution of claims in MCL 500.8142. The priority issue that the HMO medical providers are now creating by asking this Court to ignore, or circumvent, the priority statute, is precisely contrary to the purpose of the Rehabilitation Act. In fact, the issue has already altered the efficiency of these proceedings and created more issues to litigate. As such, the claims of HMO medical providers should not be allowed at all. Moreover, if HMO medical provider claims are allowed, they must, by statute, take a backseat to the claims of medical malpractice claimants.

WHEREFORE, as this Honorable Court has ordered Wellness Plan into Rehabilitation pursuant to MCL 500.8101 et. seq., Chapter 81 governs. The classing of claims should be in accordance with MCL 500.8142, as provided above, with the "Class 4" medical malpractice claims (i.e. claims against the insurer for liability for bodily injury) to

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¹ For reasons stated above, the specific circumstances surrounding Plaintiff/Claimant's claims would place Plaintiff/Claimants in the "Class 2" category. But even assuming worse case-scenario that Plaintiff/Claimants

take priority over any claims of the HMO medical providers, which at best, would be "Class 7" claims or no recognized and payable claims at all.

Respectfully Submitted,

TURNER & TURNER, P.C.

By:

LEE I. TURNER (P21631)
DEVLIN K. SCARBER (P64532)
Attorneys for Plaintiffs/Claimants Selete
26000 W 12 Mile Rd.
Southfield, MI 48034
(248) 355-1727

Dated: April 29, 2005.

PROOF OF SERVICE

The undersigned certifies that a copy of the foregoing instrument was served upon the attorneys of record of all parties to the above cause by mailing the same to them at their respective business addresses as disclosed by the pleadings of record herein, with postage fully prepaid thereon on this and day of May, 2005

Devlin K. Scarbel

Law Offices of Turner & Turner, P.C. 26000 W. Twelve Mile Road Southfield, MI 48034

EXHIBIT 1

STATE OF MICHIGAN CIRCUIT COURT FOR THE 30TH JUDICIAL CIRCUIT INGHAM COUNTY

LINDA A. WATTERS, COMMISSIONER, OFFICE OF FINANCIAL AND INSURANCE SERVICES FOR THE STATE OF MICHIGAN,

Petitioner,

V

THE WELLNESS PLAN, a Michigan health maintenance organization

File No., 03-112	7CR
Hon. William	E. Collette

Respondent.

ORDER PLACING THE WELLNESS PLAN INTO REHABILITATION, APPROVING THE APPOINTMENT OF A SPECIAL DEPUTY REHABILITATOR, AND PROVIDING INJUNCTIVE RELIEF

At a session of said Court held in the Circuit Courtrooms for the County of Ingham State of Michigan, on the 1st day of July, 2003

PRESENT: HONORABLE WILLIAM & CO/12 TTE
Circuit Judge

Petitioner, Linda A. Watters, Commissioner of the Office of Financial & Insurance

Services of the State of Michigan (Commissioner), has filed a Verified Petition seeking an Order

of Rehabilitation, Appointment of a Special Deputy Rehabilitator, and Injunctive Relief. The

Wellness Plan has consented to being placed into Rehabilitation under MCL 500.8101 et seq.

under the terms and conditions determined by the Commissioner to be appropriate. The Court is

fully advised in the premises and finds:

- 1. Based on MCL 500.8103(b), a creditor is a person having a claim against The Wellness Plan (Wellness), whether matured or unmatured, liquidated or unliquidated, secured or unsecured, absolute, fixed, or contingent.
- 2. Based on MCL 500.8105(1), the Court is authorized to enter an Order it considers to be necessary and proper to prevent:
 - a. Interference with the Rehabilitator or with the Rehabilitation proceedings;
 - b. The institution or further prosecution of any actions or proceedings against Wellness, its assets, or its members;
 - c. The obtaining of preferences, judgments, attachments, garnishments, or liens against Wellness, its assets, or its members;
 - d. The levying of execution against Wellness, its assets, or its members;
 - e. Any other threatened or contemplated action that might lessen the value of Wellness' assets or prejudice the rights of its members, creditors, or the administration of this rehabilitation proceeding.
- 3. All creditor claims against Wellness are within the jurisdiction of this Court and will be determined, resolved, paid, and/or discharged, in whole or in part, according to the terms and conditions approved by the Court.
- 4. MCL 500.8114(2) in conjunction with MCL 500.8121(1)(m) authorizes the Rehabilitator to: "[P]rosecute any action that may exist on behalf of creditors, members, policyholders, or shareholders of the insurer against an officer of the insurer or another person."
- 5. Wellness has stipulated to the existence of the legal and factual basis for the entry of an Order placing Wellness into rehabilitation.
- 6. Wellness has stipulated to the entry of an Order placing Wellness into rehabilitation on terms and conditions the Commissioner deems appropriate.

7. Immediate action placing Wellness into rehabilitation is necessary to protect the interest of Wellness' members, creditors, and the public.

THEREFORE, IT IS HEREBY ORDERED that:

- 1. Pursuant to MCL 500.8112 and MCL 500.8113, the Commissioner's Petition for Order of Rehabilitation is GRANTED, and The Wellness Plan ("Wellness") is placed into Rehabilitation pursuant to MCL 500.8101 et seq.
- 2. The Commissioner is appointed Rehabilitator of Wellness, and is further authorized to appoint one or more Special Deputy Rehabilitator pursuant to MCL 500.8114(1). Hereafter the Commissioner shall be referred to as the Rehabilitator.
- 3. The Rehabilitator shall take immediate possession of all the assets of Wellness and administer those assets under the Court's general supervision.
- 4. By operation of law, legal title to all assets, accounts and moneys of Wellness is hereby vested in the Rehabilitator. The filing or recording of this Order with the Clerk of the Circuit Court or the Register of Deeds for the county in which the principal office or place of business of the Respondent is located shall impart the same notice as a deed, bill of sale, or other evidence of title duly filed or recorded with that Register of Deeds would have imparted.
- 5. The Rehabilitator, shall have all the powers set forth in MCL 500.8114 and 500.8115 without being specifically set forth in this Order, all applicable powers set forth in Chapter 81 of the Michigan Insurance Code of 1956, MCL 500.8101 *et seq*, and such additional powers as the Court shall grant from time to time upon petition of the Rehabilitator.
- 6. All powers of the current directors, officers, and managers of Wellness, are hereby suspended in their entirety upon issuance of this Order. The Rehabilitator shall have and exercise the full and complete power of directors, officers, and managers. The Rehabilitator may

redelegate, in writing, some or all of her authority to a director, officer(s) or manager of Wellness.

- 7. The Rehabilitator shall have full power and authority to direct, manage, hire, and discharge employees subject to any contract rights they have, and to deal in totality with the property and business of Wellness as provided by law.
- 8. A director, manager, officer, employee or agent of Wellness and any other person shall, at the Rehabilitator's direction, vacate any building, office, or other premise of Wellness.
- 9. The Rehabilitator may take such action as she considers necessary or appropriate to reform or revitalize the Wellness, and is empowered to pursue all avenues of reorganization, consolidation, conversion, merger, or other transformation of Wellness to effectuate rehabilitation and maintain, to the greatest extent possible, a continuity of health care services.
- 10. If the Rehabilitator determines that reorganization, consolidation, conversion, reinsurance, merger or other transformation of Wellness is appropriate, she shall prepare a plan to effect those changes. The plan shall be submitted to the Court for approval.
- 11. The Rehabilitator shall take all steps necessary to preserve the existing provider network and to maintain uninterrupted health care services. The Rehabilitator shall take all necessary steps to provide payment on a going forward basis to all health care providers for goods or services rendered subsequent to the date of this Order pursuant to all existing provider relationships and agreements, WHICH RELATIONSHIPS AND AGREEMENTS, OR AMENDED AGREEMENTS, REMAIN IN FULL FORCE AND EFFECT pursuant to MCL 500.8105(1)(k), until further order of this Court.

The Rehabilitator shall, by December 31, 2003, and every six (6) months thereafter, review the necessity for the continuation of the provisions of this paragraph of the Order and

make a recommendation to the Court regarding the continued need for the injunctive relief it provides.

- 12. The Rehabilitator shall not pay any Creditor claims for goods or services provided prior to the date of this Order, until further order of this Court.
- 13. The Rehabilitator shall pay Creditor claims for goods or services provided on or after the date of this Order as they become due in the ordinary course of business.
- 14. Entry of this Order shall not constitute an anticipatory breach of any contracts or relationship between Wellness and other persons. MCL 500.8113(3). All persons, including medical service providers, doing business with Wellness on the date of this Order are hereby enjoined and restrained from terminating or attempting to terminate such relationship or contract on the basis of the entry of this Order or Wellness' financial condition during the pendency of the rehabilitation. MCL 500.8105(1)(k).
- 15. All employees, officers, directors or agents of Wellness, or any other persons with authority over or in charge of any segment of the affairs of Wellness, shall cooperate fully with the Rehabilitator and the Deputy Rehabilitator. MCL 500.8106. Among other things, full cooperation requires:
- (a) Prompt replies to any inquiry by the Rehabilitator including a written reply when requested.
- (b) Providing the Rehabilitator with immediate, full and complete possession, control, access to and use of all books, accounts, documents, and other records, information or property of or pertaining to Wellness in the possession, custody, or control of any person or entity as may be necessary so as to enable the Rehabilitator and Deputy Rehabilitator to operate the business and to maintain the continuity of health care services being provided to all subscribers.

- (c) Providing the Rehabilitator with full and complete access and control of all assets, documents, data, computer systems, security systems, buildings, leaseholds, and property of or pertaining to Wellness.
- (d) Providing the Rehabilitator with full and complete access to all legal opinions, memorandum, letters, documents, information, correspondences, or legal advice, attorney/client provided materials and attorney work product materials to or from Wellness' in-house or outside counsel to Wellness or any of its officers, directors, employers or agents related to Wellness or in connection to the operation of Wellness or its business.
- (e) No obstruction or interference with the Rehabilitator or Deputy Rehabilitator in the conduct of a receivership proceeding pursuant to MCL 500.8101 et seq.
- 16. As provided by law, failure to cooperate may result in any sentence requiring the payment of a fine not exceeding \$10,000.00, imprisonment for a term of not more than one year, or both, as provided by MCL 500.8106(4).
- 17. Any person with possession, custody or control of assets, documents, data, accounts, moneys, books, records, information, or property of or pertaining to Wellness shall immediately:
 - a. Provide the Rehabilitator with notice of the persons possession, custody or control and a description of the assets, documents, data, accounts, books, records, information, or property in the person's possession, custody or control.
 - b. Tender possession, custody, and control to the Rehabilitator.
 - c. Take all necessary steps to safeguard, preserve and retain the assets, documents, data, books, records, accounts, moneys, information or records.
- 18. Pursuant to MCL 500 8105(1)(g)(k) and MCL 500.3529(3), all non-contracted and contracted medical care providers are hereby enjoined and restrained from obtaining any

judgments and/or balance billing of Wellness' subscribers, enrollees or members for medical goods provided or services rendered prior to the date of this Order. This prohibition does not apply to any applicable co-payments, deductibles or fees for medical goods or services that are not covered by Wellness.

- 19. Pursuant to MCL 500.8105(1) and MCL 500.8114(2) and except as provided in ¶¶ 18, 21, 22, and 23 all Creditors of Wellness are enjoined from:
 - a. Institution or continuing to prosecute any actions or proceedings to determine,
 enforce, collect, or assert any claims against Wellness, its assets, its members,
 its enrollees, its subscriber, its officers, its directors, or its employees;
 - b. Institution or continuing to prosecute any actions or proceedings to determine, enforce, collect, or assert any claims against the Rehabilitator, his agents, or the State of Michigan and its officers, agencies or departments for claims or actions arising out of or related to claims against Wellness or proceedings under MCL 500.8101 et seq;
 - Obtaining preferences, judgments, attachments, garnishments, or liens against
 Wellness, its assets, its subscribers or members, its officers, its directors, or its
 employees;
 - d. Levying of execution against Wellness, its assets, its subscribers, enrollees or members, its officers, it directors, or its employees;
 - e. Taking any other action that may lessen the value of Wellness' assets or prejudice the rights of Wellness' creditors as a whole, its subscribers, enrollees or members or the administration of this rehabilitation proceeding.
- 20. Any person who violates an injunction issued in this matter shall be liable to the Rehabilitator or member or subscriber for the reasonable costs and attorney fees incurred in

enforcing the injunction or any court orders related thereto and any reasonably foreseeable damages.

- 21. All creditor claims against Wellness are within the exclusive jurisdiction of this Court and will be determined, resolved, paid, and/or discharged, in whole or in part, according to the terms and conditions approved by the Court.
- 22. Any and all claims by Creditors against Wellness must be raised or asserted within the rehabilitation proceedings before this Court and are subject to this Court's orders regarding the submission and determination of claims.
- 23. The Rehabilitator shall develop a method for the submission, evaluation and resolution of all claims for goods and services provided to Wellness and its subscribers or members prior to the date of this Order.
- 24. All employer groups and other entities currently contracted with Wellness for health care services for its employees, members, enrollees or recipients, are hereby enjoined and restrained from terminating or attempting to terminate such relationship prior to the contract's expiration date or any automatic renewal or extension of the contract. MCL 500.8105(1)(k) and MCL 500.8113(3)...
- 25. The Rehabilitator's appointment of Eoshealth Regulatory Services, LLC as Deputy Rehabilitator is approved. Eoshealth shall have such authority and responsibilities as may be delegated to it by the Rehabilitator. The proposed fees for Eoshealth's services are approved. Eoshealth's fees and expenses shall be paid pursuant to its contract with the Rehabilitator and MCL 500.8114(1).
- 26. The Rehabilitator shall make an accounting to the Court of Wellness' financial condition and progress to towards rehabilitation on or before December 31, 2003, and each succeeding six-month period thereafter.

27. The Court reserves jurisdiction to amend this Order of Rehabilitation or issue such further orders as it deems just, necessary and appropriate.

WILLIAM E. COLLETTE

Circuit Judge

Turner and Turner, P.C.

LEE I. TURNER*

MATTHEW L. TURNER KEVIN T. GRANADER MICHAEL P. HAMMOND DEVLIN K. SCARBER MICHAEL L. ROWADY** 26000 W. Twelve Mile Road Southfield, Michigan 48034 (248) 355-1727 Fax (248) 355-5674

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* MEMBER OF MICHIGAN & OHIO BARS ** MEMBER OF MICHIGAN & CALIFORNIA BARS

> DONALD A. TURNER RETIRED

May 2, 2005

HAND-DELIVERED

30th Circuit Court Mason Courthouse Clerk's Office, 3rd Floor 341 South Jefferson Mason, MI 48854

Re:

Watters vs. The Wellness Plan

File No. 03-1127-CR

Dear Sir or Madam:

Enclosed please find one (1) original and (1) copy of *Plaintiff/Claimants*, *Andrea Lee Hardmon-Selete*, and *Matthew Selete's Brief As To Claim Priority Under MCL 500.8142*, with *Proof of Service* affixed thereon.

Please file in your usual manner.

Very truly yours,

TURNER AND TURNER, P.C.

Devlin K. Scarber

DKS/aey . Enclosure

Cc: Wilson Copeland, Esq. Amy Sitner, Esq.